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November 18, 1974

No. 74/178

TO COUNTY ASSESSORS:

## TAXABILITY OF COMMERCIAL VEHICLES AND CRANES

Senate Bill 2368 (Chapter 1430) was signed by the Governor on September 26, 1974. It amends Revenue and Taxation Code, Section 994 by exempting from property taxation all rubber-tired commercial vehicles and cranes which are registered with the current license fee paid. The effect of the amendment is to exempt those commercial vehicles and cranes that, because of their size or weight of vehicle or load, must be moved or operated on the highway under permit issued pursuant to the Vehicle Code, Section 35780. Prior to the amendment these vehicles were subject to property taxation even though they were currently registered and licensed. The license fee was allowed as an offset against the property taxes.

Vehicle Code, Section 260 defines a commercial vehicle as "(a)...a vehicle of a type required to be registered under this code used or maintained for the transportation of persons for hire, compensation, or profit or designed, used, or maintained primarily for the transportation of property." As indicated in the definition, a commercial vehicle is one that is required to be registered.

Sincerely,

Jack F. Eisenlauer, Chief  
Assessment Standards Division

JFE:jg